



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 17, 2005

CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 3493

Jack C. Grover
AG Hold Associates
1364 Gilmer Drive
Salt Lake City, Utah 84105

Subject: Division Directive Concerning Conditional Acceptance of Notice of Intention to Commence Small Mining Operations, AG Hold Associates, Broad Canyon Mine, S/049/042, Utah County, Utah

Dear Mr. Grover:

On December 18, 2003, the Division issued Conditional Acceptance of your Notice of Intention to Commence Small Mining Operations for your Broad Canyon Mine, located in Utah County, Utah. At that time, in accordance with Utah Code 40-8-7(c), you were instructed to provide an \$8,000 reclamation surety by January 30, 2004. To date, we have not received the requisite surety.

The Division hereby directs you to provide the required \$8,000 reclamation surety for this project by June 17, 2005, or to reclaim the site. Failure to do so may result in the Division taking enforcement action. Should you choose to reclaim the site, you should provide us a schedule for completing this work during this construction season and coordinate this work with the Bureau of Land Management.

Please don't hesitate to call me at (801) 538-5325 or Lynn Kunzler at 538-5310 if you wish to discuss this matter further.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:lk:jb

cc: Mike Ford, BLM

O:\M049-Utah\S0490042-BroadCanyon\final\dd-05172005.doc